

Message Text

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SUBJ: LAY-OFFS IN QUEBEC

1. MONTREAL PRESS TODAY CARRIED REPORTS OF SIGNIFICANT LAY-OFFS AT TWO LARGE QUEBEC BASED FIRMS. LE DEVOIR REPORTED THAT MARINE INDUSTRIES, A BUILDER OF SHIPS AND RAILROAD CARS WHICH IS 86 PER CENT OWNED BY THE PROVINCIAL GOVERNMENT, WILL BEGIN LAYING OFF WORKERS IN APRIL AT RATE OF 100 PER MONTH OVER A NINE MONTH PERIOD. IN NORMAL TIMES, MARINE INDUSTRIES EMPLOYED OVER 3000 WORKERS, BUT DUE TO DIFFICULTIES IN SHIP-BUILDING INDUSTRY, EMPLOYMENT LEVEL HAD BEEN CUT TO 2500. NEW CUTS WILL LOWER LEVEL TO ABOUT 1600 BY END OF YEAR. LAY-OFFS WERE SAID TO BE NECESSARY BECAUSE OF GENERAL SOFTNESS IN HEAVY EQUIPMENT INDUSTRY, A SITUATION WHICH WAS EXACERBATED BY PARTIAL CANCELLATION OF PREVIOUSLY COMMISSIONED PROJECTS.

2. MONTREAL STAR REPORTED THAT NORTHERN TELECOM, THE LARGEST EMPLOYER IN MONTREAL AREA, HAD NOTIFIED QUEBEC LABOR DEPARTMENT THAT WORK FORCE ENGAGED IN MANUFACTURING IN MONTREAL AREA MAY BE REDUCED BY AS MANY AS 800 PEOPLE DURING NEXT YEAR. INCLUDED
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IN 800 TOTAL WOULD BE RETIREMENTS AND TRANSFERS AS WELL AS LAY-OFFS. REDUCED WORK FORCE WAS SAID TO REFLECT IMPACT OF DEPRESSED CANADIAN ECONOMY, PRODUCTIVITY IMPROVEMENTS, AND INTRODUCTIONS OF TECHNOLOGICALLY ADVANCED PRODUCTS.

3. IN NEWS CONFERENCE YESTERDAY, LOUIS LABERGE, PRESIDENT OF QUEBEC FEDERATION OF LABOR, CRITICIZED NORTHERN TELECOM AND ITS

MOTHER COMPANY BELL CANADA FOR EXPORTING JOBS OUT OF QUEBEC. OVER LAST TEN YEARS, LABERGE SAID THAT NORTHERN TELECOM HAD EXPORTED ABOUT 6600 JOBS OUT OF QUEBEC, WITH 5400 CREATED IN ONTARIO. EXPANDED PRODUCTION IN OTHER AREAS, ACCORDING TO LABERGE, WAS BEING FINANCED WITH PROFITS MADE IN QUEBEC.

4. COMMENT: MARINE INDUSTRIES IS LARGEST SUBSIDIARY OF GENERAL INVESTMENT CORP., THE PROVINCIAL GOVERNMENT HOLDING COMPANY CHARGED WITH PROMOTING AND FINANCING PROVINCIAL ENTERPRISE AND INDUSTRY. WITH MARINE INDUSTRY'S EARNINGS LAST YEAR OF SOME \$6 MILLION, GENERAL INVESTMENT CORP. WAS JUST BARELY ABLE TO SHOW PROFIT, AS OTHER HOLDINGS DID POORLY. DIFFICULTIES OF MARINE INDUSTRIES THIS YEAR WILL THUS COME AS BITTER PILL TO GOVERNMENT. WITH REGARD TO NORTHERN TELECOM, REDUCTIONS IN LABOR FORCE HAVE BEEN UNDER WAY FOR SOME TIME. AT SAME TIME THAT TECHNOLOGICAL ADVANCES, SUCH AS SILICON CHIPS, HAVE PERMITTED TELECOMMUNICATIONS INDUSTRY TO BECOME LESS LABOR INTENSIVE, NORTHERN TELECOM HAS BEGUN TO SHIFT EMPHASIS TOWARDS US MARKET, WHERE COST OF PRODUCTION IS LESS AND WHERE GROWTH HAS BEEN FASTER. RECENT STATEMENT BY NORTHERN TELECOM INDICATES THAT COMPANY EXPECTS AS MUCH AS FIFTY PERCENT OF ITS REVENUES TO COME FROM US FIVE YEARS FROM NOW.
HARPER

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